

Message Text

LIMITED OFFICIAL USE

PAGE 01 LA PAZ 06807 122225Z

67

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AGR-20 CIAE-00 COME-00 INR-10

LAB-06 NSAE-00 RSC-01 SPC-03 STR-08 TRSE-00 CIEP-02

OMB-01 SS-20 NSC-10 PA-04 PRS-01 USIE-00 L-03 DRC-01

SSO-00 NSCE-00 INRE-00 /118 W
----- 103814

O R 122143Z NOV 73

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC IMMEDIATE 1476

INFO AMEMBASSY BUENOS AIRES

AMEMBASSY MEXICO CITY

AMCONGEN SAO PAULO

LIMITED OFFICIAL USE LA PAZ 6807

E.O. 11652: N/A

TAGS: ETRD BL

SUBJ: COTTON CONTRACTS

REF: LA PAZ 6762

1. SUB-SECRETARY AGRICULTURE RIOJA INFORMED COOK AND RALLI REPS BY TELEPHONE NOVEMBER 10 THAT ADEPA REPS (WHOM HE HAD ON RADIO FROM SANTA CRUZ) WERE STATING THEY COULD NOT ACCEPT ANYTHING LESS THAN \$ 0.56 PER POUND FOR 1973 CROP. COOK/RALLI REPLIED THEY HAD MADE THEIR BEST OFFER AND WERE WILLING RETURN WHEN ADEPA WILLING COMPLY WITH 1973 CONTRACT PRICES.

2. MINAG COULD NOT BE REACHED SATURDAY (NOVEMBER 10) OR SUNDAY AS HE WAS IN COCHABAMBA. AMBASSADOR SOUGHT APPOINTMENT WITH PRESIDENT, BUT HE WAS IN POTOSI AND RETURNED TO LA PAZ ONLY LONG ENOUGH TO PREPARE FOR HIS VISIT TO BUENOS AIRES.

3. COOK/RALLI DID MEET WITH MINAG AT 11:00 A.M. NOVEMBER 12. THEY AGAIN STATED THEY HAD MADE THEIR BEST OFFER AND WERE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LA PAZ 06807 122225Z

WILLING RETURN TO LA PAZ WHEN ADEPA WILLING TALK ON THOSE TERMS.

(SEE REFTTEL PARA 3). MINAG SAID HE GOING TO SANTA CRUZ AT 1:00 P.M. NOVEMBER 12 ON OTHER MATTERS BUT WOULD DISCUSS PROBLEM WITH ADEPA.

4. IN TELECON WITH MINAG WHILE COOK/RALLI REPS IN HIS OFFICE, ECONOFF EMPHASIZED ON BEHALF AMBASSADOR IMPORTANCE OF MOVING ADEPA DOWN FROM DECREE MINIMUM PRICE BECAUSE AS LONG AS THEY STUCK THERE GOB REMAINED HEAVILY INVOLVED IN RETROACTIVE PRICE ADJUSTMENT COTTON CONTRACTS. MINAG SIGHED PROBLEM EXTREMELY DIFFICULT, BUT THAT HE WOULD BE DISCUSSING IT IN ADEPA GENERAL ASSEMBLY. MINAG HAD EARLIER TOLD ARMA THAT PROBLEM HAD BECOME EXTREMELY COMPLEX AND DIFFICULT AND THAT DID NOT KNOW WHAT TO DO ABOUT IT.

5. COOK/RALLI REPS LEAVING LA PAZ AT 10:00 P.M. NOVEMBER 12.

6. IN FINAL INTERVIEW WITH AMBASSADOR, COOK REPS DID NOT APPEAR DESPONDENT. FRIEDMAN COMMENTED THAT MINAG HAD GIVEN STRONG IMPRESSION HE DID NOT KNOW WHAT TO DO. MINAG NOT HOSTILE; APPEARED ANXIOUS TO FIND WAY OUT. FRIEDMAN SAID EVEN ADEPA PROBABLY WANTS TO FIND WAY OUT, BUT FOR REASONS OF PRIDE FINDS IT DIFFICULT TO BACK DOWN FROM EARLIER DEMANDS. SAID THEY MAY FEEL THEY HAVE ALREADY DONE MUCH BY REDUCING PRICE DEMAND FROM \$ 0.82 PER POUND TO \$ 0.69 PER POUND AND FINALLY TO \$ 0.56 PER POUND. HE AND BARNETT EMPHASIZED THAT THEY HAD MADE FINAL OFFER AND WOULD LOSE MONEY ON IT, NOT INCLUDING LEGAL COSTS.

6. COMMENT: WORTH NOTING THAT COOK REPS DID NOT HINGE THEIR RETURN FOR FURTHER DISCUSSIONS ON GETTING GOB TO CANCEL DECREE OUTRIGHT. THEY WANT RECOGNITION 1973 CONTRACT PRICE AS MATTER OF PRINCIPLE. THEY NOTED ADEPA NEVER PURSUED FURTHER CONCESSIONS ON 1974 CROP PRICES OR OTHER ROUTES TO IMPROVE PACKAGE. PROBLEM WAS 1973 PRICES. WE NOTE SUB-SECRETARIES OF MINAG AND MININD/COM, AS WELL AS PRESIDENT'S ECONOMIC ADVISOR, ALL INDICATED WILLINGNESS EASE DECREE IF REASONABLE COMPROMISE COULD BE FOUND. FYI. ALTHOUGH COOK/RALLI INSIST THEIR LAST OFFER IS FINAL WE BELIEVE THEY HAVE SOME ADDITIONAL FLEXIBILITY. END FYI.

7. FOR BUENOS AIRES AND SAO PAULO. AS 18,000 BALES STILL IN LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LA PAZ 06807 122225Z

BUENOS AIRES AND 8,000 BALES IN SANTOS OF BOLIVIAN COTTON SOLD TO COOK AND RALLI WOULD APPRECIATE ANY INFORMATION YOU MAY RECEIVE ON ATTEMPTS TO MOVE COTTON OR TO SELL TO THIRD PARTIES.

8. FOR MEXICO CITY. WISH KEEP JACK (JOHN W.) BARNETT INFORMED OF

DEVELOPMENTS THROUGH YOU. HE IS PRESIDENT, COOK Y CIA. DE MEXICO, S.A. AND CURRENT TELEPHONES ARE 540-55-12 AND 540-31-82.

HIS OFFICE ADDRESS WILL CHANGE NEXT FEW DAYS.
STEDMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, COTTON, MEETINGS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LAPAZ06807
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731140/aaaabdfd.tel
Line Count: 117
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: LA PAZ 6762
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 16 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16-Jan-2002 by martinjw>; APPROVED <05-Feb-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COTTON CONTRACTS
TAGS: ETRD, BL, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005